



## NEWS RELEASE

### ASTREA VI PE BONDS – CLASS A-1 BONDS OPEN FOR PUBLIC SUBSCRIPTION INVEST FOR YOUR FUTURE

- **Launch of Public Offer of S\$250 million Class A-1 Bonds at a fixed coupon of 3% p.a.:**
  - **Opens Wednesday, 10 March 2021 at 9 am**
  - **Closes Tuesday, 16 March 2021 at 12 noon**
  - **Applications in multiples of S\$1,000 with minimum of S\$2,000**
- **Placement tranche 7 times subscribed, with strong orderbook of US\$3.2 billion received across all classes of bonds**
- **Class A-1 Bonds will be the third listed retail private equity bonds available to investors in Singapore**
- **Deepening the Singapore retail bond market with innovative Astrea PE Bonds**

**Singapore, 09 March 2021** – Astrea VI Pte. Ltd. (the “Issuer”<sup>1</sup>) and Azalea Investment Management Pte. Ltd. (“Azalea”) today announced the launch of the Astrea VI Class A-1 Bonds for subscription by the public in Singapore (“Public Offer”), the third private equity (“PE”) retail bonds to be listed on the Singapore Exchange. The Issuer is offering S\$250 million of Class A-1 Bonds at a fixed interest rate of 3% per annum.

The Public Offer follows the successful placement of S\$132 million of the Class A-1 Bonds, US\$228 million of the Class A-2 Bonds and US\$130 million of the Class B Bonds to institutional investors and accredited investors, which concluded earlier today. The placement tranche saw strong demand across all classes of bonds, with a combined placement orderbook of US\$3.2 billion equivalent from 149 accounts. Diverse distribution of the orderbook was achieved with a good mix of high quality institutions (67%), including insurance companies, asset managers, endowments and foundations, as well as accredited investors (33%) participating.

NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, TO ANY U.S. PERSON OR IN OR INTO THE UNITED STATES OR IN ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW

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<sup>1</sup> Unless otherwise defined, all capitalised terms shall have the same meanings given to them in the Prospectus registered with the Monetary Authority of Singapore (“MAS”) on 09 March 2021.



Margaret Lui, Chief Executive Officer of Azalea, said, “We are pleased to be introducing another series of Astrea PE Bonds to the retail public in Singapore. Astrea VI Class A-1 PE Bonds offer retail investors an opportunity to invest for their future, through an investment grade bond which provides regular income and exposure to private equity at the same time. We are also heartened by the strong demand for the Astrea VI PE Bonds from institutional and accredited investors.”

“A significant portion of about two-thirds of the Class A-1 Bonds is offered to retail investors, given the strong retail demand for the Class A-1 Bonds in Astrea IV and Astrea V. Similar to the previous Astrea issuances, the placement to institutions and accredited investors, through the book building process, helped determine the interest rate. This is the same rate being offered to retail investors in respect of the Class A-1 Bonds.”

“Looking ahead, Azalea will continue to further develop the Astrea Platform and innovate products of different risk profiles for both institutions and retail investors.”

Chue En Yaw, Managing Director & Head of Private Equity Funds of Azalea, said: “The Astrea VI PE Bonds are backed by cash flows from a US\$1.5 billion portfolio of investments in 35 private equity funds that are managed by reputable managers. Astrea VI’s diversified portfolio provides exposure to 802 companies at launch across a broad range of industry sectors. It has a similar structure and safeguards as previous Astrea transactions. The larger portfolio allows us to offer more PE bonds to retail investors while retaining a conservative capital structure.”

“To help investors understand the Astrea VI PE Bonds, including the risks associated with them, we have made our management presentation on the transaction available on the Astrea VI website. In addition, we will be hosting a live Q&A session online during the Public Offer period to help investors better understand the product before investing. This is in place of the usual physical investor forum that would have been conducted in conjunction with our past Astrea launches, in line with COVID-19 safe-distancing requirements.”

The Astrea VI PE Bonds comprise three different classes of PE bonds: Class A-1, A-2 and B, with interest rates of 3%, 3.25% and 4.35% per annum respectively. Each class caters to investors with different risk preferences and investment horizons. The Class A-1 Bonds, the most senior class of bonds, with a minimum subscription amount of S\$2,000, are expected to



be rated “A+sf” by Fitch Ratings, Inc. (“Fitch”) and “A+ (sf)” by S&P Global Ratings (“S&P”)<sup>2</sup>. The Class A-2 and Class B Bonds are also expected to be rated Asf and BBBsf respectively by Fitch<sup>2</sup>. Only Class A-1 Bonds are available for retail subscription in Singapore.

### **Offer Details**

The Class A-1 Bonds have a final maturity of 10 years and a Mandatory Call at the end of 5 years (10MC5). The Issuer will be required to redeem the Class A-1 Bonds on 18 March 2026, if there is sufficient cash set aside to repay the Class A-1 Bonds and other conditions are satisfied. Otherwise, the interest rate on the Class A-1 Bonds will have a one-time step-up from 3% to 4% per annum after this date until the Class A-1 Bonds are fully redeemed.

The Prospectus in respect of the offering by Astrea VI Pte. Ltd. of the Class A-1 Bonds in Singapore is available for collection at selected DBS/POSB branches during operating hours until 12 noon on 16 March 2021. The Prospectus is also available on the Issuer’s website at <https://www.azalea.com.sg/a6>, the MAS’ OPERA website at <https://eservices.mas.gov.sg/opera/> and from SGX at <https://www.sgx.com>.

Besides the Prospectus, the Issuer’s website also contains information on the Astrea VI PE Bonds explained in videos and infographics. The Issuer has also made available on the website its management presentation on the Astrea VI transaction. A live Questions & Answers (“Q&A”) session, to be conducted virtually over Zoom, will be held for the public to ask any questions they may have on Astrea VI (see Appendix for more details). Interested investors may register on the Issuer’s website. Key questions that were answered during the Q&A session will be made available on the website after the event.

The Public Offer will open from 9 am tomorrow and will close at 12 noon on 16 March 2021. The Astrea VI PE Bonds are expected to be issued on 18 March 2021. The Class A-1 Bonds are expected to list and start trading on the Mainboard of the SGX-ST on 19 March 2021 in board lot sizes of S\$1,000<sup>3</sup>.

Anyone wishing to subscribe for the Class A-1 Bonds will need to make an application in the manner set out in the Prospectus.

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<sup>2</sup> Fitch and S&P have not provided their consent, for the purposes of Section 249 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”), to the inclusion of the information cited and attributed to them in the Prospectus, and are therefore not liable for such information under Sections 253 and 254 of the SFA (as described in the section “*Credit Ratings*” of the Prospectus).

<sup>3</sup> Please refer to the Appendix for information regarding the listing of the Astrea VI PE Bonds on the SGX-ST.



Credit Suisse (Singapore) Limited, DBS Bank Ltd. and Standard Chartered Bank (Singapore) Limited are the Lead Managers and Underwriters for the Astrea VI PE Bonds offering.

**– END –**

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.



## **About the Issuer and Azalea Group**

The Issuer is an indirect wholly-owned subsidiary of Azalea Asset Management Pte. Ltd. ("Azalea"). Azalea is a wholly-owned subsidiary of Seviora Holdings which is in turn wholly-owned by Temasek.

The Azalea Group invests in private equity funds, with a focus on the development and innovation of new investment platforms and products to make private equity accessible to a broader group of investors.

One such innovation is the Astrea Platform, a series of investment products based on diversified portfolios of PE funds. It represents a phased approach to develop products for Singapore retail investors to co-invest with Azalea in private equity. Started in 2006, there are five in the series to date, with Astrea VI being the latest addition to the Astrea Platform.

In 2019, Azalea launched Altrium Private Equity Fund I, its maiden private equity fund of funds product.

Azalea Investment Management Pte. Ltd. is the management subsidiary of the Azalea Group.

For more information about Azalea, please visit <https://www.azalea.com.sg/>.

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## Appendix

### Astrea VI Fact Sheet

#### Summary

- Class A-1 Bonds will be the third-listed PE bonds available to retail investors
- US\$643 million offering via three classes of bonds (Class A-1, Class A-2 and Class B)
- Class A-1 Bonds are expected to be rated A+sf and A+ (sf) by Fitch and S&P<sup>4</sup>, respectively
- Class A-2 and Class B Bonds are expected to be rated Asf and BBBsf respectively by Fitch<sup>4</sup>

Bond*	Size (million)	Expected Rating (Fitch) <sup>4</sup>	Expected Rating (S&P) <sup>4</sup>	Interest Rate	Scheduled Call Date	Final Maturity
Class A-1	S\$382	A+sf	A+ (sf)	3.00% p.a.	18 March 2026	18 March 2031
Class A-2	US\$228	Asf	Not rated	3.25% p.a.	18 March 2026	18 March 2031
Class B	US\$130	BBBsf	Not rated	4.35% p.a.	Not Applicable	18 March 2031

\* Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Class A-1 Bonds on the Mainboard of the SGX-ST, and the Class A-2 Bonds and the Class B Bonds on the SGX-ST, subject to certain conditions. The Class A-1 Bonds, the Class A-2 Bonds and the Class B Bonds will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the Global Certificate(s) relating thereto having been issued. Approval in-principle granted by the SGX-ST and admission of the Class A-1 Bonds, the Class A-2 Bonds and the Class B Bonds to the Official List of the SGX-ST are not to be taken as an indication of the merits of the Issuer, its Subsidiaries and/or associated companies, the Class A-1 Bonds, the Class A-2 Bonds or the Class B Bonds. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Prospectus.

#### PE Funds Portfolio Overview (as of 30 November 2020)

Total Net Asset Value (NAV)	▪ US\$1,456 million
Number of PE Funds	▪ 35
Number of General Partners (GPs)	▪ 28
Total number of investee companies (as of 30 September 2020)	▪ 802
PE Funds by Strategy	▪ 81% Buyout PE funds ▪ 19% Growth Equity PE funds

<sup>4</sup> Fitch and S&P have not provided their consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to them in the Prospectus, and are therefore not liable for such information under Sections 253 and 254 of the SFA (as described in the section "Credit Ratings" of the Prospectus).



PE Funds by Region

- 61% U.S.
- 23% Europe
- 16% Asia

Weighted Average Fund Age

- 5.8 years

### **Astrea VI Management Presentation**

Available online at [www.azalea.com.sg/a6](http://www.azalea.com.sg/a6).

### **Live Q&A Session – A Virtual Event**

To be held on 12 March 2021, 12 pm. Interested investors may register at <http://www.azalea.com.sg/a6>.

Key questions that were answered during the Q&A session will be made available on the website after the event.